



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 20, 2005

S. 1886 **Naval Vessels Transfer Act of 2005**

As cleared by the Congress on December 6, 2005

SUMMARY

S. 1886 would authorize the transfer of eight naval vessels to foreign countries: five by grant and three by sale. In each case, the act identifies the vessel, the type of transfer, and the recipient country. The authority to transfer these vessels would expire two years after enactment. CBO estimates the specified sales would increase offsetting receipts by \$32 million over the 2006-2007 period. (Asset sale receipts are a credit against direct spending.)

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO's estimate of the budgetary effects of provisions that affect direct spending is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CHANGES IN DIRECT SPENDING										
Estimated Budget Authority	-26	-6	0	0	0	0	0	0	0	0
Estimated Outlays	-26	-6	0	0	0	0	0	0	0	0

BASIS OF ESTIMATE

S. 1886 would authorize the transfer of eight naval vessels to foreign countries. Under the act, five specific vessels could be transferred to designated countries by grant and the

remaining three vessels could be sold to specified countries. Based on information from the Navy regarding the value of these ships and recent experience with actual sales and grants, CBO estimates that the sales would increase offsetting receipts by \$26 million in 2006 and \$32 million over the 2006-2007 period.

PREVIOUS CBO ESTIMATE

On July 1, 2005, CBO transmitted a cost estimate for H.R. 2601, the Foreign Relations Authorization Act, Fiscal Years 2006 and 2007, as ordered reported by the House Committee on International Relations on June 9, 2005. Section 751 of that bill would transfer the same naval vessels in the same manner as specified in S. 1886 and the estimated offsetting receipts for the sale of those vessels is the same for both H.R. 2601 and S. 1886. Other provisions in H.R. 2601 also would affect direct spending, but those provisions are not included in S. 1886.

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